

Teachers' Enterprise in Religious Education

Annual Report and Financial Statements

31 August 2021

Company Registration Number
06035087 (England and Wales)

Charity Registration Number
1117900



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Reference and administrative information

Trustees	Betty Conboy G A Cooney D A Lester (resigned 11 June 2021) B McArdle K McSharry (Chair) M A Ruane R L Smith
Secretary	G A Cooney
Registered office	40 Duncan Terrace Islington London N1 8AL
Company registration number	06035087 (England and Wales)
Charity registration number	1117900
Independent examiner	Amanda Francis Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Royal Bank of Scotland plc 40 Islington High Street London N1 8XB Metro Bank plc One Southampton Row London WC1B 5HA
Investment managers	CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

Trustees' report 31 August 2021

The trustees present their report together with the financial statements of the Teachers' Enterprise in Religious Education (the charitable company) for the year to 31 August 2021.

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 14 to 17 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Principal aim and objectives

The principal aim of the charitable company is to support teachers in Catholic schools and in the wider Christian community in their daily task of unfolding for pupils the mystery of God, the teaching of the Church and its application in daily life.

The objectives that the trustees have set in order to achieve this aim are as follows:

- ◆ To promote the teaching of religious education with the same academic rigour as other subjects in the curriculum;
- ◆ To provide opportunities for teachers to deepen their theological understanding of the Christian Faith and its application to daily life;
- ◆ To create a rich variety of resources, for example, textbooks, website with online interactive elements for classroom use, CD ROMS, etc.

Public benefit

In setting the charitable company's objectives and planning its activities the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

Review of the year

Looking back over the last twelve months, the first consideration is to see to what extent Teachers' Enterprise in Religious Education has met its aims and objectives.

Opportunities for teachers to deepen their theological understanding of the Christian faith

In the Autumn Term 2020, in-service was provided on Zoom for each year at primary school, that is, Early Years Foundation Stage to Year 6.

Review of the year (continued)

Opportunities for teachers to deepen their theological understanding of the Christian faith (continued)

Feedback from teachers was very positive. Here are some examples:

This was a very useful Zoom session on how to make Religious Education meaningful for our pupils. It has given me a much better understanding of the theology in The Way, the Truth & the Life and will enable me to teach more effectively.

Thinking about the key messages in each lesson and why they are important has been a great help. The examples of how to link the task to children's experience will be very useful.

The Zoom INSET was very useful because I managed to grasp the main theology of the Trinity – Father, Son and Holy Spirit. The guidance on Age-related Standards and Skills was most helpful.

Telephone support is always available. In order to offer further support to schools, a decision has recently been made to convert *The Way, The Truth & The Life* (WTL) Programme into digital format to be available on our website by November 2021.

Teachers continue to express appreciation for the wide range of free resources available for all age groups on our website: www.tere.org

Reported period	Total Sessions	Total Users	Total page views
September 2018 – August 2019	10,061	6,786	32,614
September 2019 – August 2020	13,485	9,252	39,676
September 2020 – August 2021	13,563	9,859	34,174

Support to the religious education service

The Bishops' Conference of England and Wales is in the process of developing a new Curriculum for Religious Education in Catholic Schools. As the Teachers' Enterprise in Religious Education is one of the leading providers of materials for Religious Education, we are involved in the consultation and have regular meetings with the National RE Adviser. As at the time of writing, the process is ongoing.

COVID-19

COVID-19 had a direct effect on our mission when schools were in lockdown. Teachers expressed gratitude for home-learning resources for Religious Education on our website www.tere.org.

In addition, permission was granted to schools that had purchased *The Way, the Truth & the Life* CD/DVD ROMs to put the contents on their own website provided access was available only to their pupils.

Future plans

Provision of in-service training by Zoom will continue because it is enabling teachers in schools from all over the United Kingdom to participate in greater numbers than if they had to travel to London.

Plans are in progress for another Religious Education programme to deliver the new Curriculum Directory for Catholic Schools. The title will be The Vine and the Branches and it will be available in digital format on a new website.

Financial review

Results for the year

The charitable company's total income amounted to £58,193 (2020 - £64,857) during the year and included £52,967 (2020 - £55,654) from publications, training materials and courses, royalties receivable of £1,425 (2020 - £1,764) and interest receivable of £3,801 (2020 - £7,439).

Expenditure amounted to £52,270 (2020 - £43,356) and included £38,670 (2020 - £33,156) for publication and development of teaching materials, £10,100 (2020 - £10,200) of donations, and £3,500 in relation to investment advice. Further details about donations are given in note 3 to the financial statements.

Net income for the year, before net investment gains was £5,923 (2020 - £21,501). The net increase in the charitable company's funds during the year after net investment gains of £29,390 (2020 - £nil) was £35,313 (2020 - £21,501).

Reserves policy and financial position

The charitable company's intention is to retain sufficient reserves to continue to finance the development of educational materials. The trustees are of the opinion that the charitable company should aim to have free reserves of approximately £750,000.

The balance sheet shows total funds of £941,822 and of this £1,467 represents the tangible fixed assets used by the charitable company.

Funds which are available to support the work of the charitable company in the future are shown on the balance sheet as general funds and amount to £940,405.

The trustees are aware that this level of reserves is in excess of the amount required by the above policy. However, they are aware that due to the changes in the educational curriculum and costs associated with digitalisation of educational resources, costs are expected to increase and, therefore, the trustees believe that it is prudent to hold the high level of free reserves at the present time.

Financial review (continued)

Investment policy and performance

During the year the trustees opted to invest £275,000 in investment funds managed by CCLA Investment Management Limited. The charitable company has invested in the CCLA COIF Ethical Investment Fund – Accumulation units and in the COIF Charities Fixed Interest Fund - Accumulation Units.

At 31 August 2021 the charitable company had a portfolio of listed investments with a market value of £304,390.

As noted above, the charitable company's investments made an unrealised gain of £29,390 during the year. The trustees are satisfied with the performance of the investments.

There are no restrictions on the charitable company's power to invest.

Governance, structure and management

Constitution

Teachers' Enterprise in Religious Education (TERE) is a company limited by guarantee (Company Registration No 06035087 (England and Wales)) and is a charity registered for charitable purposes (Charity Registration No. 1117900).

In the event of the charitable company being wound up, members and those within one year of ceasing to be members are required to contribute an amount not exceeding £1 per person.

Trustees

The trustees constitute directors of the charitable company for the purposes of the company legislation.

New trustees are elected by those trustees who are in office at the time of the new appointment. At each Annual General Meeting one third of the trustees retire in rotation, but are eligible for re-election.

The trustees who served during the year were as follows:

Trustees	Appointed / Resigned
Betty Conboy	
G A Cooney	
D A Lester	Resigned 11 June 2021
B McArdle	
K McSharry (Chair)	
M A Ruane	
R L Smith	

Governance, structure and management (continued)

Trustees (continued)

No trustee received any remuneration for services as a trustee during the year. During the year ended 31 August 2021, and no expenses were reimbursed to trustees (2020 - out of pocket expenses of £361 were reimbursed to one trustees for travelling expenses).

Three of the charitable company's trustees, G A Cooney (Sister Marcellina), B McArdle and R L Smith contribute to the research and writing of material for the publications produced by the charitable company. Under the terms of the contracts with the charitable company, and as permitted by the charitable company's Memorandum of Association, they receive royalty payments for these services. Royalties payable for the year to 31 August 2021 to G A Cooney were £4,365 (2020 - £4,460), to B McArdle were £7 (2020 - £7) and to R L Smith £7 (2020 - £7).

No other trustee had any beneficial interest in any contract with the charitable company during the year (2020 – none).

Key management personnel

The trustees consider that they comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day-to-day basis.

The trustees are the members of the charitable company. They receive no remuneration in connection with their duties as trustees or their work as key management.

Transactions with the trustees are disclosed in note 6 to the financial statements.

Statement of trustees' responsibilities

The trustees (who are also directors of Teachers' Enterprise in Religious Education for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charitable company. As the charitable company is fairly small in size, for much of the year the trustees were responsible also for much of the day-to-day work of the charitable company. They meet when necessary to review the charitable company's activities, possible developments, make important decisions and to seek advice and support from the charitable company's professional advisers including solicitors and accountants.

Risk management

The trustees have assessed the major risks to which the charitable company is exposed. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational risks faced by the charitable company, they have established effective systems to mitigate those risks.

The charitable company's material assets are its listed investments, its bank balances and its stock holding. The trustees obtain external financial advice in respect to the charity's investments and advice to ensure that returns on the cash balances are maximised. The stock of publications is held and managed by Redemptorist Publications, a registered charity and private limited company based in Hampshire, England, which specialises in the distribution of Christian books, not only their own titles but books published by other UK and US religious publishers.

Governance, structure and management (continued)

Risk management (continued)

The other principal financial risk faced by the charitable company remains the impact on schools of COVID-19 and the impact of the general economic conditions on the ability of schools to purchase its publications and teaching materials. Whilst the current level of activity for 2021/22 and beyond suggests that the targets set by trustees are achievable, they remain mindful that changes in general economic confidence can translate into reduced spending and, consequently, levels of income for the charitable company.

The trustees continue to monitor results against budgets and expectations and their reserves policy (see above) reflects the potential risk.

Acknowledgments

The Teachers' Enterprise in Education continues to discern and reflect on the changes in technology and how these changes impact on the teaching and learning of young people. Digitising the WTL will meet the needs of teachers, pupils, and students by enabling them to access textbooks remotely, from their homes. Revamping and updating the TERE Website further enhances the quality of access of hard-pressed teachers to the free resources available to enrich their teaching, especially the plethora of non-specialist teachers now delivering the Religious Education Curriculum.

The trustees, conscious of their role as stewards, have with caution invested some of the assets of TERE to help retain their real value. We are indebted to all our financial advisers for their help, support, and guidance.

Teachers continue to be at the heart of TERE. Dialogue is of the essence between serving practitioners and the trustees thereby ensuring that WTL is relevant, interesting, and enjoyable for pupils and students in their Faith journey.

We give thanks as we say farewell to David Lester, a trustee par excellence, for his sterling and outstanding service to TERE over many years.

The Teachers' Enterprise in Religious Education is a joint enterprise resting on the shoulders of many people: Sister Marcellina, who is pure gift to the work of TERE, and without whom TERE would not exist; the sisters of the Cross & Passion who have been indefatigable and vital supporters of TERE since its inception; the support staff unseen but not unsung heroes whose essential labours underpin the work of evangelisation; Ian Curtis whose many skills in website design and digitisation enhances the marketing of WTL; Redemptorist Publications our long time and valued partners in the distribution of TERE's Religious Education Programme; Stone King LLP our legal consultants and advisers; and Buzzacott LLP our financial adviser.

Governance, structure and management (continued)

Acknowledgments (continued)

The Trustees acknowledge the sheer hard work and indefatigability that has enabled TERE to be the force that it is in evangelisation and one of the leading providers in Religious Education, not only in the United Kingdom but in countries overseas too. TERE's mission is Ad Majorem Dei Gloriam.

Signed on behalf of the trustees by:

Marcellina Cooney CP

Trustee

Teachers' Enterprise in Religious Education
Company Registration Number 06035087 (England and Wales)

Approved by the trustees on :

3 December 2021

Independent examiner's report Year to 31 August 2021

Independent examiner's report to the members of Teachers' Enterprise in Religious Education (the charitable company)

I report to the charitable company's members on my examination of the financial statements of the charitable company for the year ended 31 August 2021.

Responsibilities and basis of report

The trustees and directors of the charitable company are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charitable company's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with my examination giving me cause to believe that in any material respect:

- ◆ accounting records were not kept in respect of the charitable company as required by section 130 of the 2006 Act; or
- ◆ the financial statements do not accord with those records; or
- ◆ the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Amanda Francis, Independent Examiner
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

17 December 2021

Statement of financial activities Year to 31 August 2021
(including the income and expenditure account)

	Notes	Unrestricted funds	
		2021 £	2020 £
Income from:			
Interest receivable		3,801	7,439
Charitable activities			
. Publications, training materials and courses	1	52,967	55,654
. Royalties receivable	1	1,425	1,764
Total income		58,193	64,857
Expenditure on:			
Raising funds – investment advisory services		3,500	—
Publication and development of teaching materials	2	38,670	33,156
Donations and grants	3	10,100	10,200
Total expenditure		52,270	43,356
Net income for the year before net investment gains	5	5,923	21,501
Net unrealised gains on investments	9	29,390	—
Net movement in funds		35,313	21,501
Reconciliation of funds:			
Fund balances brought forward at 1 September 2020		906,509	885,008
Fund balances carried forward at 31 August 2021		941,822	906,509

The charitable company has no recognised gains and losses other than those shown above.

All of the charitable company's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	8		1,417		1,467
Investments	9		304,390		—
			<u>305,807</u>		<u>1,467</u>
Current assets					
Stocks	10	60,452		63,522	
Debtors	11	7,094		6,383	
Current asset investments – short term deposits		541,771		734,172	
Cash at bank and in hand		46,136		116,737	
		<u>655,453</u>		<u>920,814</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(19,438)		(15,772)	
			<u>636,015</u>		<u>905,042</u>
Total net assets			<u>941,822</u>		<u>906,509</u>
The funds of the charity:					
Unrestricted funds					
. Tangible fixed assets fund	13		1,417		—
. General funds			940,405		906,509
			<u>941,822</u>		<u>906,509</u>

For the year ended 31 August 2021, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its financial statements for the year in accordance with section 476. The trustees as company directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime as set out in part 15 of the Companies Act 2006 and section 1A of Financial Reporting Standard 102 (FRS 102).

Approved by the trustees and signed on their behalf by:

Marcellina Cooney CP

Trustee

Teachers' Enterprise in Religious Education
Company Registration Number 06035087 (England and Wales)

Approved by the trustees on:

3 December 2021

Statement of cash flows Year to 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	6,541	18,576
Cash flows from investing activities:			
Interest received		6,482	7,963
Purchase of tangible fixed assets		(1,025)	(2,200)
Purchase of investments		(275,000)	—
Cash withdrawn from short term deposits		192,401	30,982
Net cash (used in) provided by investing activities		(77,142)	36,745
Change in cash and cash equivalents in the year		(70,601)	55,321
Cash and cash equivalents at 1 September 2020	B	116,737	61,416
Cash and cash equivalents at 31 August 2021	B	46,136	116,737

Notes to the statement of cash flows for the year to 31 August 2021.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	35,313	21,501
Adjustments for:		
Interest receivable	(3,801)	(7,439)
Net unrealised gains on investments	(29,390)	—
Depreciation	1,075	733
Decrease in stocks	3,070	5,598
(Increase) decrease in debtors	(3,392)	1,155
Increase (decrease) in creditors	3,666	(2,972)
Net cash provided by operating activities	6,541	18,576

B Analysis of cash and cash equivalents

	2021 £	2020 £
Total cash and cash equivalents: Cash at bank and in hand	46,136	116,737,

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

Principal accounting policies Year to 31 August 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2021 with comparative information provided in respect to the year to 31 August 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The principal areas in the financial statements where judgements and estimates have been made are in respect to assessing the value of any obsolete stock and estimating future income and expenditure flows for the purpose of assessing going concern.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

While it is anticipated that in the aftermath of the Covid-19 pandemic the charity's income will continue to feel some effect due to the impact on the economy and, consequently, on the resources affordable by schools, the trustees believe that the charity's financial position is robust given the level of reserves available.

Principal accounting policies Year to 31 August 2021

Assessment of going concern (continued)

Therefore, trustees of the charitable company have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees are of the opinion that the charitable company will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2022, the trustees acknowledge that one significant area that may affect the carrying value of the assets held by the charity is the level of investment return and the performance of the investment markets.

Income recognition

Income is recognised in the period in which the charitable company has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received. Income is deferred only when the charitable company has to fulfil conditions before becoming entitled to it or where the provider of the income has specified that the income is to be expended in a future accounting year.

Income comprises donations, interest receivable, royalties receivable, income from the sale of publications, training materials and courses and miscellaneous income.

Donations are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Income in respect to publications, training materials and courses comprises income from the sale of such items together with income receivable in respect to royalties and license fees. Such income is accounted for when the charitable company has been informed that it has entitlement to the income (usually via notification from the Publishers Licensing Society), the amount is able to be quantified and where receipt is deemed probable.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Principal accounting policies Year to 31 August 2021

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on provision of publications and teaching materials, their development and study visits for teachers enables the charitable company to perform its main charitable work.
- ◆ Donations and grants include monies given to organisations with charitable objectives consistent with those of the charitable company are included in the statement of financial activities when approved for payment. Provision is made for any grants and donations approved but unpaid at the end of the financial year.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charitable company it is necessary to provide support in the form of financial procedures, provision of office services and equipment.

Governance costs comprise the costs involving the public accountability of the charitable company (including costs of independent examination (2019 - audit costs)) and costs in respect to its compliance with regulation and good practice.

All expenditure on support and governance is attributed directly to the charitable activities of publications and development of teaching materials as any costs in relation to provision of donations and grants or raising funds is considered to be minimal.

Tangible fixed assets

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Computer equipment

Depreciation is provided at 33.33% per annum on a straight line basis in order to write off each asset over its estimated useful life.

Principal accounting policies Year to 31 August 2021

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments. As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise

Stocks

Stocks of books, pamphlets and CD ROMS for resale are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stock.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charitable company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Principal accounting policies Year to 31 August 2021

Fund accounting

The funds of the charitable company are unrestricted and, therefore, are available for use in furtherance of the charitable company's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity are amounts representing tangible fixed assets.

Services provided by trustees

For the purposes of these financial statements, no monetary value has been placed on the administrative and other services provided by the trustees.

Notes to the financial statements Year to 31 August 2021

1 Income from charitable activities

Of the total income in respect to publications, training materials and courses of £52,967 (2020 - £55,654), £5,235 (2020 - £2,903) is derived from outside the United Kingdom. All income from royalties in both 2021 and 2020 is derived from within the United Kingdom.

2 Expenditure on: Publication and development of teaching materials

	2021 £	2020 £
Costs of publications; teaching materials and cost of training		
. Writing, editing, proof reading, art work, filming etc	575	281
. Printing of publications	4,996	5,598
. Provision for obsolete stock	910	—
. Royalties payable	5,400	5,318
. Costs of training	160	569
Distribution costs		
. Distribution fees	7,504	7,604
. Advertising and promotional materials	140	600
Support costs		
. Accountancy, secretarial and support services	3,179	2,411
. Website and development	5,600	773
. Professional fees	979	1,194
. Office and other sundry costs	1,997	2,347
. Depreciation	1,075	733
. Bank charges	35	—
. Governance costs (note 4)	6,120	5,728
	38,670	33,156

3 Expenditure on: Donations and grants

	2021 £	2020 £
Donation to the Sisters of the Cross and Passion (note 6)	10,020	10,000
Other donations	80	200
	10,100	10,200

4 Governance costs

	2021 £	2020 £
Legal and professional fees	5,300	4,515
Trustees' indemnity insurance (note 6)	732	732
Trustees' meeting expenses	88	481
	6,120	5,728

Notes to the financial statements Year to 31 August 2021

5 Net movement in funds i.e. net income

This is stated after charging:

	2021 £	2020 £
Independent Examiner's (Buzzacott LLP's) remuneration (excluding VAT)		
. Independent examination services		
.. Current year	4,000	4,500
.. Previous year	300	15
. Other services		
..General advisory	945	1,194
..Stock take attendance	1,000	800

In addition to the fees payable to Buzzacott LLP during the year, £3,500 (2020 - £nil) was payable to Buzzacott Financial Services Limited in respect to the provision of advice on the investment of funds.

6 Staff costs, key management personnel and trustees' remuneration

The charitable company employed no staff during the year (2020 - none).

The trustees consider that they comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis.

No trustee received any remuneration in respect of their services as a trustee during the year (2020 - none). During the year ended 31 August 2021 no out of pocket expenses were reimbursed to trustees (2020 - out of pocket expenses of £361 were reimbursed to one trustees in relation to travel expenses).

Three of the charitable company's trustees contribute to the research and writing of material for the publications produced by the charitable company. Under the terms of the contracts with the charitable company, and as permitted by the charitable company's Memorandum of Association, these trustees receive royalty payments for these services. Royalties payable for the year to 31 August 2021 were as follows:

	2021 £	2020 £
R Smith	7	7
G A Cooney	4,365	4,460
B McArdle	7	7

During the year a donation of £10,020 (2020 - £10,200) was made to the Sisters of the Cross and Passion, a registered charity (Charity Registration No 1038483) which holds on trust the assets of St Paul's Province of the Sisters of the Cross and Passion, a Roman Catholic religious congregation. G A Cooney is a member of the Congregation.

Notes to the financial statements Year to 31 August 2021

6 Staff costs, key management personnel and trustees' remuneration (continued)

The charitable company has purchased insurance to protect the charitable company from any loss arising from negligent acts, errors or omissions on the part of the trustees, employees or agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charitable company during the year totalled £732 (2020 - £732) and provides cover of up to a maximum of £1 million (2020 - £1 million).

The trustees consider that they comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis.

All trustees are members of the charitable company and they receive no remuneration in connection with their duties as trustees or work as key management.

7 Taxation

Teachers' Enterprise in Religious Education is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the exemptions available to registered charities.

8 Tangible Fixed assets

	Computer equipment £
Cost	
At 1 September 2020	2,200
Additions	1,025
At 31 August 2021	<u>3,225</u>
Depreciation	
At 1 September 2020	733
Charge for the year	1,075
At 31 August 2021	<u>1,808</u>
Net book values	
At 31 August 2021	<u>1,417</u>
At 31 August 2020	<u>1,467</u>

Notes to the financial statements Year to 31 August 2021

9 Fixed asset investments

	2021 £
Listed investments	
Market value at 1 September 2020	—
Additions at cost	275,000
Net unrealised investment gains	29,390
Market value at 31 August 2021	<u>304,390</u>
Cost of listed investments at 31 August 2021	<u>275,000</u>

All listed investments were dealt in on a recognised stock exchange. Listed investments included the following holdings:

	2021	
Holding	Market value of holding £	Percentage of portfolio %
CCLA COIF Ethical Investment Fund - Accumulation units	249,493	82
COIF Charities Fixed Interest Fund - Accumulation Units	54,897	18
	304,390	100

10 Stocks

	2021 £	2020 £
Publications and DVDs for sale	60,452	63,522

11 Debtors

	2021 £	2020 £
Deposit on digital books	1,000	—
Publication sales	2,871	2,139
VAT recoverable	1,660	—
Bank interest receivable	1,563	4,244
	7,094	6,383

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Expense creditors	15,188	9,435
Accruals	4,250	5,750
VAT payable	—	587
	19,438	15,772

13 Tangible fixed assets fund

	2021 £
At 1 September 2020	—
Net movements in the year	1,467
At 31 August 2021	<u>1,467</u>

The tangible fixed assets fund has been established to represent the net book value of the charity's tangible assets. A decision was made to separate this fund from the general funds of the charity in recognition of the fact that the tangible fixed assets were essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

14 Unrealised gains on investments

The total unrealised gains as at 31 August 2021 constitute movements on revaluation of listed investments and were as follows:

	2021 £
Total unrealised gains on investments included above:	<u>29,390</u>
Reconciliation of movements in unrealised gains	
Unrealised gains at 1 September 2020	—
Add: net gains arising on revaluation in the year	29,390
Unrealised gains at 31 August 2021	<u>29,390</u>

15 Members' liability

In the event of the charitable company being wound up, members and those within one year of ceasing to be members, are required to contribute an amount not exceeding £1 per person towards the costs of dissolution and the liabilities incurred by the charitable company while he or she was a member.

16 Related party transactions

Details of transactions with the charitable company's trustees are provided in note 6.

There were no other related party transactions requiring disclosure (2020— none).